

**MINUTES
FOR THE MEETING
BOARD OF LAND AND NATURAL RESOURCES**

DATE: FRIDAY, MARCH 8, 2019
TIME: **9:15 A.M.**
PLACE: KALANIMOKU BUILDING
LAND BOARD CONFERENCE ROOM 132
1151 PUNCHBOWL STREET
HONOLULU, HAWAII 96813

MEMBERS

Suzanne Case
Tommy Oi
Stan Roehrig
Sam Gon

Jimmy Gomes
Chris Yuen
Keone Downing

STAFF

Russell Tsuji- Land

Ian Hirokawa-Land

OTHERS

Dan Morris-AG
Davis Yogi-DOT-HAR
Malia Molina/D6
Adrienne Wong/D6
Shane Fukuda/D6
Hae-Dong Lee/D6
Yoichi Ebisu/D6
Tom Nance/D6
Andy Bellader/D8

Abby Lareau-DOT-Air
Tessa Ng/D6
Tyler Fujiwara/D6
Ryan Koba/D6
Mark Nakao/D6
Ben Kudo/D6
Bruce Plasch/D6
Bob Hobdy/D6

190308_0115/00:00:17

Chair Case called the meeting to order at 9:20 am. Member Gomes read the contested case statement.

WITHDRAWAL OF ITEM C-1

ITEM A-1 Approval of Meeting Minutes for September 28, 2018.

Board Discussion-None

Public Testimony- None

MOTION

Approved as amended (Gomes, Gon) unanimous.

ITEM A-2 Approval of Meeting Minutes for October 12, 2018.

Board Discussion-None

Public Testimony- None

MOTION

Approved as submitted (Gon, Gomes) unanimous.

190308_0115/00:02:37

ITEM D-6 Recommendation to the Governor to Accept the Final Environmental Impact Statement for the Proposed Department of Land and Natural Resources Industrial and Business Park at Pulehunui, Maui, Tax Map Key: (2) 3-8-008:001 (por.).

Ian Hirokawa, Land Division. The request is to have the Governor accept the EIS. Provided a picture board of the area for the Board to view and the uses of the abutting land. This project is to help the small businesses. Consultants and Lawyers are present to answer any questions. Russell Tsuji- noted an access point.

Board Discussion

Gomes asked where are you getting water from? Hirokawa noted it comes from the County, surface water, filling a well on the property.

Gomes, Mahi Pono has 11 wells and DOA is looking at those as well.

Downing, what are the terms of the lease going to be, Hirokawa said there are options they are looking at, Master Commercial Lease, Standard Land Lease. Tsuji, if this gets approve, the process may take 5-years before construction can start in 2025, 2038-2039 full occupancy.

Hirokawa answered Oi's question relating to the Land Use Commission for a zoning change to urban which would allow light industrial use and be in-line with the County.

Public Testimony-none

MOTION

Approved as submitted (Gomes, Gon) unanimous.

190308_0115/00:18:15

ITEM D-8 Amendment of Grant of Non-Exclusive Easement S-6083 to Waimanalo Paradise, LLC, a Delaware limited liability company, for Seawall and Steps Purposes; Waimanalo, Ko'olaupoko, O'ahu, Tax Map Key: (1) 4-1-002:

seaward of 007. The purpose of the amendment is to modify an easement provision that is in conflict with the rights and privileges granted by the easement.

Ian Hirokawa, Land Division. Provided a summary of the submittal.

Board Discussion

Downing noted that this is cement. Hirokawa confirmed, it is mixed with some rocks and other components. They will come back to the Board with the design for approval.

Andy Bellader, Sea Engineering, explained this is a stabilizing component to the existing seawall which has existing cracks and it is a 100-years old, weathered and deteriorated. Explained the different methods of stabilizing the wall.

Public Testimony-None

MOTION

Approve as submitted (Downing, Gomes) unanimous.

190308_0115/00:30:23

ITEM D-7 Issuance of Direct Lease to People & Pet Park, Inc. for Community Dog Park Purposes, Cancellation of Revocable Permit No. S-7743 at Diamond Head, Honolulu, O'ahu, Tax Map Key: (1) 3-1-042:012.

Russell Tsuji, Land Division. Presented the submittal. They are converting the RP to a lease.

Board Discussion

Downing asked if they had parking? Tsuji replied, yes.

Public Testimony-None

MOTION

Approved as submitted (Gon, Gomes) unanimous.

190308_0115/00:31:45

ITEM M-7 Request for Approval to Issue a Lease by Direct Negotiation to Big Island Energy, LLC for fueling operations and Fuel Storage Facility at a portion of Kawaihae Harbor, South Kohala, Island of Hawaii, Tax Map Key: (3) 6-1-03:32 and 2 (Portion), Governor's Executive Order No. 1988.

Davis Yogi, DOT-Harbors. Provided a brief summary. Working towards converting from the RP to Lease.

Board Discussion

Downing asked if they have the fueling rights before? Yogi, yes through Chevron, the strategy gave Akana an acceptance of liability transfer over to Big Island Energy. That key is the reason for direct negotiation.

Determine by appraisal? What are you going to use? Vacant Land, 55-lease, reduction of rent due \$700,000 improvements. Yogi says it meets Statue requirement.

There was further discussion regarding appraisals, competition, indemnification and liability as well as negotiating as lease versus auction.

Case asked to see the Indemnity agreement.

Wes Lee, Big Island Energy, Maui Oil is part of Big Island Energy. He provided information regarding the business plan.

Yogi, noted that he is looking for guidance and once we get an appraisal he will share it with the Board and anything else the Board asks for. We are doing business differently and transparency is key.

Public Testimony-None

MOTION

Approved as submitted (Oi, Gon) 2-Nays (Roehrig, Downing) Motion Passes.

190308_0115/01:14:13

ITEM M-8 Issuance of a Construction Right-of-Entry to Capstar Radio Operating Company for the Sand Island Cargo Yard Annex, Honolulu Harbor, O'ahu, Tax Map Key: (1) 1-5-039:007 (Portion); and Pier 19, Honolulu Harbor, O'ahu Oahu, Tax Map Key: (1) 1-5-039:007 (Portion).

Davis Yogi, DOT-Harbors presented the submitted.

Board Discussion

Gomes asked if we would lose reception? Yogi replied, no.

Public Testimony-None

MOTION

Approved as submitted (Gomes, Gon) unanimous.

190308_0115/01:17:17

ITEM M-9 Issuance of Seventeen (17) Revocable Permits to Young Brothers, LLC to replace existing Revocable Permit H-992131, situated at Piers 39 and 40, Honolulu Harbor, Oahu, Tax Map Key: (1) 1-2-025:011 (Portion), and (1) 1-2-025:011 (Portion) Governor's Executive Nos. 3947,1351, 2212 and 3457.

Davis Yogi, DOT-Harbors, we have had an appraisal and we are updating our RP program and are moving forward with the rate change per the appraisal.

Board Discussion

Yogi, cargo has changed the way they use equipment. They have semi-transportable buildings. We are in conversations with RP holders. There is no consistency. We are working on compliance with the RP holders. There was further discussion on harbor uses.

Case wanted to recognize the effort that Harbors has made regarding changes going forward. And appreciates all they are trying to do. Yogi has challenges ahead of him regarding land disposition.

MOTION

Approved as submitted (Gomes, Roehrig) unanimous.

190308_0115/01:33:17

Member Downing asked for a clarification on Item M-7 on the terms. Case clarified that the Board is authorizing DOT to negotiate a lease and DOT may do a reduction or waiver in rent not to exceed 1-year.

190308_0115/01:37:23

ITEM M-1 Amendment No. 8 to Concession Agreement No. Dot-A-07-0001, Request for Additional Spaces for In-Bond (Duty Free) Use, DFS Group L.P. In-Bond (Duty Free), Daniel K. Inouye International Airport, Tax Map Key: (1) 1-1-003: 1 (Portion), Ellison Onizuka Kona International Airport at Keāhole, Tax Map Key: (3) 7-3-043:03 (Portion).

Abby Lareau, DOT- Airports. Amended Item M-1, to strike Space No. 342-285 from the submittal.

Public Testimony-None

MOTION

Approved as amended (Roehrig, Gomes) unanimous.

Abby Lareau, DOT- Airports present to answer any questions regarding DOT-Airport Submittals.

ITEM M-2 Amendment No. 33 to Concession Agreement DOT-A-92-0018, for Addition of Food and Beverage Spaces, Storage and Seating Area, Host International, Inc., Daniel K. Inouye International Airport, Tax Map Key: (1) 1-1-003: 001 (Portion).

Board Discussion

The Board asked how the Master Lease worked. Lareau replied, if we ask for food or beverage they have to comply. Airports cannot go out to bid on concessions, it goes through the Lessee.

Public Testimony

Thomas Burger Watanabe-Ng, Centerplate, as a member of the public submitted written testimony. Observation when you look at the request from DOT Air- add additional space, change space is 171 59B HAR disposition of public lands entering into a lease, how does it encourage competition.

MOTION

Approved as submitted (Roehrig, Gomes) unanimous.

ITEM M-3 Issuance of a Revocable Permit for Space to Park Fuel Trucks and Ground Service Equipment, Barbers Point Aviation Services, LLC, Kalaeloa Airport, Tax Map Keys: (1) 9-1-13: Portion Of 32 & (1) 9-1-13: Portion Of 76.

ITEM M-4 Issuance of a Revocable Permit for Aircraft Parking, Osamu Manabe And Kyler Manabe, Kalaeloa Airport, Tax Map Key: (1) 9-1-13: Portion of 32.

Board Discussion

Downing asked when is the commencement date? Lareau, once it has been approved, we will determine the commencement date.

Public Testimony-None

ITEM M-5 Issuance of a Revocable Permit for Cargo Area Ramp Space for Sorting Operations and Vehicle Parking Stalls, Federal Express Corporation, Līhu'e Airport, Tax Map Key: (4) 3-5-01: Portion of 8.

ITEM M-6 Issuance of a Revocable Permit for Construction Material Storage, Nan, Inc., Daniel K. Inouye International Airport, Tax Map Key: (1) 1-1-003: 17 (Portion).

Public Testimony-None

MOTION

Approve Item M-3, M-4, M-5 and M-6 as submitted (Roehrig, Oi) unanimous.

190308_0115/01:57:14

Russell Tsuji, Land Division. Available to answer any questions on Land Division Items. There was no public testimony on these items.

- ITEM D-1** Issuance of Right-of-Entry Permit to Roman Catholic Church in the State of Hawaii, Saint Theresa School, Onto Unencumbered State Lands for Parking Purposes, Kekaha House Lots, Kekaha, Waimea, Kaua'i, Tax Map Keys: (4) 1-3-004:054 and (4) 1-3-011:001.

Board Discussion-None

MOTION

Approve as submitted (Roehrig/Oi) unanimous.

- ITEM D-2** Authorize Approximately One-Year of Rent Relief under Revocable Permit No. S-7628, William Sanchez Sr., Permittee, Due to Severe Flooding of the Permit Area at Wailua, Lihue (Puna), Kaua'i, Tax Map Key: (4) 3-9-005:019 & 020.

Board Discussion

Downing asked if any of the pasture land been used this past year? Tsuji said the area is flooded. Oi noted that he knows the area, right now it is under water the water does not seep well into the ground.

MOTION

Approved as submitted (Oi, Downing) unanimous.

- ITEM D-3** Set Aside of the Hale Hauoli Site to the Department of Health for Health-Related Services Purposes, Kapaa Homesteads, Series 4th, Kapaa, Kaua'i, Tax Map Key: (4) 4-6-014:112.

Board Discussion-None

MOTION

Approved as submitted (Oi, Gon) unanimous.

- ITEM D-4** Amend Prior Board Action of May 22, 2015, Agenda Item D-4, Grant of Term, Non-Exclusive Easement to Uluwehi, Inc., for Access and Utility Purposes, Waioli, Hanalei, Kaua'i, Tax Map Keys: (4) 5-5-008:002 and (4) 5-6-002:001.

The purpose of the amendment is to change the easement area referenced in the prior Board action from 19,028 square feet, more or less, to 19,992 square feet, more or less, as determined by survey.

- ITEM D-5** Amend Prior Board Action of May 22, 2015, Agenda Item D-5, Grant of Term, Non-Exclusive Easement to Ursula Lamberson, Trustee of the Ursula Lamberson Revocable Trust, for Access and Utility Purposes, Waioli, Hanalei, Kaua'i, Tax Map Keys: (4) 5-5-008:002 and (4) 5-6-002:001.

The purpose of the amendment is to: 1) change the easement area referenced in the prior Board action from 11,082 square feet, more or less, to 17,378 square feet, more or less, as determined by survey, and 2) change the Grantee from Ursula Lamberson, Trustee of the Ursula Lamberson Revocable Trust, to Mona Yarberry.

Board Discussion-None

MOTION

Approve Item D-4 and Item D-5 (Oi/Gomes) unanimous.

ITEM D-10 Amend General Lease No. 5981, Waianae District Comprehensive Health and Hospital Board, Incorporated, Lessee, Lualualei, Wai'anae, O'ahu, Tax Map Key: (1) 8-6-001:003.

The purpose of the amendment is to amend the rent reopening provision of the lease by determining the rent based on the Board's prevailing policy on leasing to eleemosynary organization.

Board Discussion-None

MOTION

Approved as submitted (Gon, Gomes) unanimous.

There being no further business, Chairperson Case adjourned the meeting at 11:40 am. Recording(s) of the meeting and all written testimonies submitted at the meeting are filed in the Chairperson's Office and available for review. Certain Items on the agenda were taken out of sequence to accommodate applicants or interest parties present.

Respectfully submitted,



Darlene S. Ferreira
Land Board Secretary

Approved for submittal:



Suzanne D. Case
Chairperson
Department of Land & Natural Resources